

85TH CONGRESS
2D SESSION

H. R. 13740

IN THE HOUSE OF REPRESENTATIVES

AUGUST 12, 1958

Mr. BOYLE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1954 to provide a 30 per centum credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) part IV of subchapter A of chapter 1 of the
4 Internal Revenue Code of 1954 (relating to credits against
5 tax) is hereby amended by adding at the end thereof the
6 following new section:

7 “SEC. 39. TUITION AND FEES PAID BY INDIVIDUALS TO
8 INSTITUTIONS OF HIGHER EDUCATION.

9 “(a) GENERAL RULE.—There shall be allowed to an
10 individual, as credit against the tax imposed by this sub-

1 title for the taxable year, an amount equal to 30 percent
2 of the aggregate amount paid during the taxable year by
3 such individual to institutions of higher education as tuition
4 or fees for the education of such individual or of any other
5 individual at a level above the twelfth grade.

6 “(b) LIMITATIONS.—

7 “(1) INDIVIDUAL RECEIVING EDUCATION MUST
8 BE FULL-TIME STUDENT.—Amounts paid for the edu-
9 cation of any individual which (but for this paragraph)
10 would be taken into account under subsection (a)
11 shall be taken into account only if such individual is
12 a student (as defined in section 151 (e) (4)) for
13 the calendar year in which the taxable year of the
14 taxpayer begins.

15 “(2) ADJUSTMENT FOR SCHOLARSHIPS AND CER-
16 TAIN ALLOWANCES.—In the case of any individual who
17 for any period receives—

18 “(A) any scholarship or fellowship grant
19 (within the meaning of section 117 (a) (1))
20 which, under section 117, is not includible in gross
21 income, or

22 “(B) any education and training allowance
23 under part IV of title II of the Veterans' Readjust-
24 ment Assistance Act of 1952,

1 any amount paid for tuition or fees for such period which
2 (but for this paragraph) would be taken into account
3 under subsection (a) shall be taken into account only
4 to the extent that the aggregate of such tuition and fees
5 charged such individual for such period exceeds the sum
6 of (i) an amount equal to all the scholarships and fel-
7 lowship grants described in subparagraph (A) received
8 by such individual for such period, plus (ii) an amount
9 equal to 30 percent of all the allowances described in
10 subparagraph (B) received by such individual for such
11 period.

12 “(3) MAXIMUM YEARLY CREDIT WITH RESPECT
13 TO EDUCATION OF ANY INDIVIDUAL NOT TO EXCEED
14 \$1,000.—In the case of any taxpayer, the credit allowed
15 by this section for any taxable year, with respect to the
16 education of any individual, shall not exceed \$1,000.

17 “(4) CREDIT NOT TO CAUSE REFUND OF TAX.—
18 The credit allowed by this section shall not exceed the
19 amount of the tax imposed by this chapter for the
20 taxable year, reduced by the sum of the credits allow-
21 able under sections 33 (relating to foreign tax credit),
22 34 (relating to credit for dividends received by indi-
23 viduals), 35 (relating to partially tax-exempt interest),
24 and 37 (relating to retirement income).

1 “(c) INSTITUTION OF HIGHER EDUCATION DE-
2 FINED.—For purposes of this section, the term ‘institution
3 of higher education’ means only an educational institution.—

4 “(1) which normally maintains a regular faculty
5 and curriculum and normally has a regularly organized
6 body of students in attendance at the place where its
7 educational activities are carried on;

8 “(2) which regularly offers education at a level
9 above the twelfth grade; and

10 “(3) contributions to or for the use of which are
11 deductible under section 170.”

12 (b) The table of sections for such part IV is hereby
13 amended by adding at the end thereof the following:

“Sec. 39. Tuition and fees paid by individuals to institu-
tions of higher education.”

14 SEC. 2. The amendments made by this Act shall apply
15 only with respect to taxable years beginning after December
16 31, 1954.

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